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Survey of Home Health Agencies

A study conducted by Abt Associates Inc. for the Medicare Payment Advisory Commission

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Medicare Payment Advisory Commission (MedPAC) Home Health Agency Survey, 1999

Contract No. T-81414343

FINAL REPORT

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MedPAC Home Health Agency Survey, 1999

1.0 Overview and Summary of Findings

Out of concern with the increasing costs of home care and their anticipated impact on the Medicare Part A trust fund, Congress enacted a variety of home health policy changes in the Balanced Budget Act of 1997 (BBA). The BBA implemented several payment policy changes affecting home health agencies. One major part of these changes were those in Medicare home health payment policy.

Congress mandated that an interim payment system (IPS) would be implemented during a transition period leading to a permanent prospective payment system (PPS). The interim system would achieve costs savings through constraints on the price of a home health visit and on the volume of visits for each beneficiary served. The IPS was implemented for cost reporting periods beginning on or after October 1, 1997. The PPS is currently slated to be implemented on October 1, 2000.

Among the changes implemented, the IPS introduced the per-beneficiary cost limit (PBCL or PBL), announced the possibility of case-mix data collection, and based payments on the location of the service. Under the IPS during fiscal year 1998, home health agencies were paid the lowest of (1) their actual costs of providing service; or (2) an aggregate per-visit cost limit based on 105% of the median national per-visit costs for freestanding home health agencies; or (3) a new blended agency-specific per-beneficiary annual limit, applied in the aggregate to the agency's unduplicated census count of Medicare patients.

The Health Care Financing Administration (HCFA) has estimated that the changes in per-visit costs and utilization resulting from the IPS would decrease payments to home health agencies by about $1.06 billion in FY 1998 relative to the payments that would have been made if the BBA 97 had not been enacted. HCFA also projected that 58 percent of all agencies in the U.S. would exceed their per-beneficiary limits in 1998.

1.1 This Project

In order to assess the impact of the IPS on beneficiaries' access to Medicare home health services, the Medicare Payment Advisory Commission (MedPAC) is conducting a four-part research effort that includes:

- examination of survey and certification data;
- analysis of home health claims data;
- convening an expert panel; and
- survey of a large sample of Medicare home health agencies.

Under contract with MedPAC, Abt Associates Inc., a social science research firm based in Cambridge, Massachusetts, completed telephone interviews with a nationwide random sample of approximately 1,000 Medicare-certified home health agencies. There were two primary goals for this survey:

- to learn more about home health agencies' understanding of the Medicare interim payment system; and

- to determine whether the payment system has influenced provider behavior in ways that might affect beneficiary access to home health services.

This report describes the conduct and findings of the home health agency survey.

1.2 Summary of Findings

The results of our survey indicate that broad impact of the Interim Payment System is not as severe as the worst predictions, but it is, nevertheless, significant and likely to have a negative effect on beneficiaries.

As HCFA predicted, slightly more than half of agencies expected that they would exceed their per-beneficiary limits. However, almost twice as many agencies as HCFA calculated expected to exceed their per-visit caps. A majority of agencies expect to receive an overpayment demand.

These expectations of the IPS's impact have lead agencies to many cost-cutting measures including not admitting or discharging certain types of Medicare patients, most often long term, chronic, and / or diabetic patients. When these patients lose their home health care, they are fortunate to find care elsewhere, such as in a nursing home. Home health agencies believe that a large percentage receive no care at all. And for the patients they keep under their service, over two-thirds have decreased the number of visits, cutting down on aide, skilled nursing, and rehab visits.

Cost-saving measures attributed to the IPS also included administrative and personnel changes. Over two-thirds of agencies reported a reduction in the numbers and / or hours of clinical and / or administrative staff numbers. In addition, a majority had curtailed benefits and / or salary increases. More than one-third of agencies reported that they had closed branches.

The behavior of agencies that expected to exceed their limits differed in a number of areas from that of agencies that expected to remain under their limits. For example, agencies that expected to exceed their per-beneficiary limit were more likely to report that, due to the IPS:

- they had a decrease in their Medicare caseload;
- they were not admitting certain types of patients;
- they had discharged certain types of patients;
- they reduced clinical staff or hours;
- they reduced administrative staff or reduced staff benefits;
- they shut down branch offices; and/or
- they changed ownership or ownership structure.

Agencies that anticipated exceeding their per-visit cost limits were more likely to report that, due to the IPS:

- they had a decrease in their Medicare caseload;
- they discharged certain types of patients;
- they reduced clinical staff or hours;
- they reduced administrative staff or hours or reduced staff benefits;
- they shut down branch offices; and/or
- they changed ownership or ownership structure.

Agencies expecting to exceed either limit were also more likely to report that they are currently *not* accepting some types of Medicare patients.

1.3 This Report

The remainder of this report describes the implementation of the survey and summarizes the data collected. Chapter 2 describes the design of the agency sample and the sample selection process. Chapter 3 presents the survey methodology, including designing the interview protocol, fielding the survey, coding and editing the data, and developing the weights to be applied to the data for analysis. Chapter 4 presents the actual data. A simple table of weighted responses is provided for every item on the protocol, while crosstabulations of responses by agency location, size, and type are presented in an appendix. Further analyses of the data were beyond the scope of this task.

2.0 Sampling Procedures

2.1 Sampling Design

The objective of the sampling task was to select a national probability sample of Medicare-certified home health agencies in the U.S. that would support the development of national estimates from the data supplied by survey respondents. The target population for this survey was all active Medicare-certified home health agencies. The sampling frame for the survey, consisting of approximately 8,492 home health agencies, was provided by MedPAC. This file was developed from HCFA's Online Survey, Certification and Reporting (OSCAR) system file, January 1999 version. In addition to the name of the agency, the sampling frame file contained information on the number of Medicare patients that received services from each agency, the location of the agency and the type of control under which the agency operated.

The goal of the survey was to obtain completed interviews from 1,000 home health agencies. The stratification variables for sample selection were the Census division in which an agency was located and agency size (number of Medicare patients served by the agency). The agencies in the sampling frame varied in size from a low of 11 patients to a high of 34,388 patients. Since a cell for sample selection was the cross-classification of Census divisions and categories of size, we wanted to avoid creating too many size categories, since this could result in cells that were small or empty. Based on the distribution of agencies by size, we decided to create 7 size categories including a category for agencies with unknown size. Table 2.1 gives the distribution of agencies with known size by size categories, the number of agencies in each category and the total number of patients in each category. These numbers are based on an earlier version of the frame.

Table 2.1

Distribution of Agencies by Number of Medicare Patients Served

Number of Medicare Patients Served	Number of Agencies	Total Number of Medicare Patients Served	Average Number of Medicare Patients Served
0 to 99	2,623	143,413	55
100-199	1,773	257,621	145
200-499	2,086	657,487	315
500-999	1,093	774,254	708
1,000-4,999	890	1,575,748	1,770
≥ 5,000	27	199,752	7,398
Total	8,492	3,608,275	425

Since there are only 27 agencies with 5,000 or above patients and these were considered important for the study, we decided to include these agencies in the sample with certainty. A sample of 23 agencies with unknown size and unknown census division was also included in the sample. The remaining

sample of 950 home health agencies would be selected from the rest of the population after allocation by Census division and size category.

2.1.1 Sample Allocation

It was important that we provide adequate representation of both small and large agencies in the sample. Several allocations of the sample of 950 agencies to the remaining 5 size categories were considered. Allocating in proportion to the total number of agencies in each size category resulted in a very small sample of agencies from the large size categories, while allocating the sample in proportion to the total number of patients resulted in a very small sample of small sized agencies.

To obtain a moderate sample size of both small and large agencies, sample was allocated by the average of allocation in proportion to the square root of the number of agencies and allocation in proportion to the square root of the number of patients in each size category. The sample that was required to be selected in each size category was then allocated to each census division within a size category in proportion to the square root of the total number of agencies in the Census division. The size of the sample in each Census division in each size category is shown in Table 2.2. The first column within each size category shows the sample and the second column the size of the population from which the sample was selected. These numbers are based on an earlier version of the frame to show the relative sample and population sizes in different strata.

Table 2.2

Allocation of the Sample by Census Division and Number of Medicare Patients Served

Census Division	Size Category										
	0 to 99		100 to 199		200 to 499		500 to 999		1,000 to 4,999		Total
	Samp.	Pop.	Samp.	Pop.	Samp.	Pop.	Samp.	Pop.	Samp.	Pop.	Samp.
New England	16	77	14	60	17	91	14	66	17	85	78
Mid Atlantic	20	114	15	61	21	129	20	122	23	146	99
South Atlantic	23	156	21	128	31	278	27	212	30	249	132
East North Central	30	337	27	262	31	364	23	204	19	127	130
East South Central	14	61	16	85	25	202	19	111	17	91	91
West North Central	30	408	23	240	20	184	14	76	10	33	97
West South Central	51	1,053	39	616	32	468	18	129	10	38	150
Mountain	21	249	15	136	18	129	12	48	7	21	73
Pacific	21	164	22	185	25	234	17	106	15	82	100
Total	226	2,619	192	1,773	220	2,079	164	1,074	148	872	950

Definition of Census Divisions: **New England** -- Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont; **Middle Atlantic** -- New Jersey, New York, Pennsylvania; **East North Central** -- Illinois, Indiana, Michigan, Ohio, Wisconsin; **West North Central** -- Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Atlantic** -- Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **East South Central** -- Alabama, Kentucky, Mississippi, Tennessee; **West South Central** -- Arkansas, Louisiana, Oklahoma, Texas; **Mountain** -- Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Utah, Wyoming; **Pacific** -- Alaska, California, Hawaii, Oregon, Washington

2.1.2 Sample Selection

To account for nonresponse and the possibility that a selected agency may be ineligible (e.g., because it is no longer operating), the sample size in each cell (which is shown in Table 2.2) was increased by multiplying the number by 1.5 and rounded to the next integer. For example, if the required number of completed interviews in a particular cell was 20, then 30 agencies were selected. In other words, we assumed that only 67% of the agencies selected would provide a usable response.

Sample selection was independent in each cell. The list of home health agencies in each cell was sorted by MSA and non-MSA location, size and control. The number of agencies required was systematically selected using a fractional sampling interval to ensure that we attained the exact required sample size. The selected sample was then divided into two replicates by systematic selection of a 20% subsample, which was designated as replicate 2, a reserve sample. The first replicate (80%) was immediately released for data collection. To replace agencies that were either nonrespondents or found to be ineligible for the survey, selections were made from the second replicate.

3.0 Survey Procedures

3.1 Instrument Design and Pretest

MedPAC staff drafted a set of potential data items to be included in the survey protocol. Subsequent discussions between Abt Associates and MedPAC staff on the central issues and concerns of the survey led to the development of a draft version of the instrument. This draft version was revised following review by MedPAC and Abt Associates staff and was used in a pretest that was conducted on February 12th and 16th, 1999. For the pretest, a roster of home health care agencies was randomly selected from the universe of sites. This pretest roster did not include sites from the largest agency category, so that all of these sites could be included in the full study. Advance letters were mailed to the "Administrator" of each agency, and the introduction script, which guides interviewers toward contacting the appropriate respondent, was modified repeatedly during the pretest until it was reliably successful for reaching the "administrator" of each agency. Interviewers found that respondents generally reacted positively to the subject of the survey and were motivated to participate in the study, albeit often wanting to discuss the issues in more detail than required to answer the questions. Interviews were completed with eight respondents from home health agencies, and averaged 10 minutes in length.

Because of the emotional nature of the issues addressed in the interview for respondents, training of the interviewers for the full study included a section on keeping respondents focused on the specific questions of the interview and strategies to minimize respondents use of the interview as a way to vent their opinions and frustrations about the Interim Payment System. Neither respondents nor interviewers indicated any significant problems with question wording, instrument structure, or ability to accurately answer questions.

3.2 Data Collection

Interviews were conducted from Abt Associates' telephone interviewing facility in Amherst, Massachusetts, using a computer-assisted telephone interviewing (CATI) system. Training of interviewers for the study were conducted on February 23, 1999. Interviewing for the project began on February 23 and ended on March 24, 1999.

A minimum of 12 attempts was made to obtain an answered call for each sampled telephone number. Additional attempts were made when a qualified respondent had been identified and a callback could be scheduled.

A total of 1,487 telephone numbers were attempted. The results of these calls are detailed in the following table:

Table 3.1

Interview Results

Disposition	Total
Completed interview	1,054
Refusals	47
Other (*includes busy, answering machine, general callbacks after 12 attempts*)	172
Non-working numbers	65
Site no longer conducts home health care visits	149
	1,487

The overall response rate can be calculated two ways. First, non-working numbers (i.e. numbers that were unlisted when a directory assistance search was done on the phone or numbers that were disconnected) can be deleted from the total number of sites called. This method assumes that businesses in operation should have a listed or functioning number. Sites where the informant indicated that no home care visits are conducted from the site are also excluded from the total number of eligible sites, leaving a denominator of 1,273 eligible sites. The 1,054 completed interviews represent a response rate of 83%. The weights included with the sample file and used for analyses were calculated based on these assumptions.[1]

Aside from Abt Associates standard techniques for enlisting cooperation and reaching appropriate respondents, respondents who were unwilling to do the interview or were difficult to reach on the phone were given the option of having a paper version of the instrument faxed to them, with the option of faxing it back to Abt Associates. Completed instruments returned via fax were entered into the CATI system under the appropriate site. This strategy maximized our ability to reach respondents who we ordinarily might not have been able to reach in the course of such a short field period. A total of 107 sites were faxed the instrument, of which 74 (or 69%) were returned. Completed interviews returned via fax by respondents were input into the CATI system through March 29.

Also, the inclusion of articles in both Home Health Line (March 8, 1999, 1-2) and Eli's Home Care Week (Volume VII, 109-110) about the study likely increased respondent awareness of the study and added legitimacy to the survey and its purpose, enhancing the response rate.

3.3 Coding, Editing, and Cleaning Procedures

Because the data were collected using a CATI system which includes built-in electronic edits, very little post-field editing was needed. Notes and comments reported by interviewers were reviewed, and

1 A more conservative approach to calculating the response rate would be to include all non-working numbers in the total number of eligible sites (still removing the sites that provide no home health care). Calculating the interview response rate in this way results in 1,054 completed interviews divided by 1,338 eligible sites for a response rate of 79%.

data were edited where needed. The text of the "other (SPECIFY)" questions was printed and reviewed, and postcodes were built to classify responses. Responses were then coded and verified using CATI coder software.

In some cases, a number of sample agencies were part of a multi-provider entity (e.g., a chain, or a freestanding provider with subunits that had also been selected into the sample). In some of these cases, a single respondent answered the interview questions for all the sites for which s/he was responsible, and was unwilling to answer individually for each site. When they indicated their responses were applicable to all of the sites, their answers were copied from the site record where data were recorded to all other sample sites that were part of the same entity.

3.4 Quality of Sample Data

One important way of evaluating the "quality" of sample data is the utility of the data for reaching respondents to complete the questionnaire. The best sample data contain correct names, addresses, and phone numbers for the respondents desired. Equally important, however, is the utility of the data for allowing interviewers to identify the correct respondent. The sample for this study did not include respondents' names but it did generally provide accurate addresses and phone numbers for reaching the agency.

For those sites for which we did not have correct information, two primary strategies were employed. Interviewers used the 1998 North American Home Care and Hospice Directory, published by the National Association of Home Care (NAHC), to determine if the home health agency had a different phone number than in our sample data. If the directory did not provide a usable number, interviewers used directory assistance to trace sites. Using these two strategies, interviewers were able to contact 97% of the sample agencies, or all but 47 of the sites.

Another indication of the quality of the sample data is the number of sites for which address corrections were needed. Of the 1,487 sites included in the sample, interviewers recorded address changes for 177 (or 17%) of the sites (only sites which required a street address, town, or state correction are included in this count).

3.5 Weighting the Data

For producing population-based estimates totals, means and percentages of characteristics relating home health agencies, each of the 1,054 eligible health agencies that completed an interview received a sampling weight. This weight combines the basic weight, which reflects the probability of selection of the agency, and an adjustment for unit nonresponse. The resulting weighted data can be used to generate estimates for all eligible agencies in the underlying population. There is a separate sampling weight for each sampling cell. Details of the weighting are presented in Appendix A.

4.0 Survey Data

In this chapter, we present a summary of the data collected through the home health agency survey. In keeping with the project's scope and MedPAC's schedule constraints, these are basic tabulations rather than sophisticated statistical analysis. The suggestive patterns which are apparent even at this initial review of the data clearly merit further investigation to identify the factors that explain the differential impacts of the IPS on agencies of various types. Such knowledge would support MedPAC's future analytic activities and its development of policy recommendations.

The findings reported here are based on the weighted data from 1,054 responding home health agencies. For analytic purposes, all responses of "refusal" and "don't know" are treated as missing, unless otherwise noted. Summary tables presenting the responses to all survey items are presented in this chapter; subgroup differences that were found to be statistically significant (using a chi-square test, $p<.001$) are noted in the text in this chapter. The actual cross-tabulations are presented in Appendix B.

4.1 Respondent Characteristics

Tables 4.1-4.7 describe agency type, census division, control type, urban/rural status, size, and payor source.

Comparing the respondents to the universe of Medicare-certified home health agencies in the MedPAC sample file, we find that they were disproportionately voluntary/private nonprofit (46.6% v. 31.3%), but roughly proportional for all other control and facility types (Tables 4.1 and 4.2). It should be noted that the facility type and control type of survey respondents are self-reported, while for the universe these variables are obtained from the OSCAR file. Therefore, any differences may reflect an out-of-date or inaccurate sample data or inaccurate self-reporting.

Table 4.1

Q26. Is the ownership of your agency...

	Percent	
	Sample	**Universe**
Voluntary, private non-profit or religious	46.6	31.3
Proprietary or for profit	40.5	53.8
A government agency	12.2	14.9

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.2

Q.25 Is your agency...

	Percent	
	Sample	**Universe**
A visiting nurse association	6.1	5.2
Another type of free-standing home health agency	54.7	52.3
A hospital-based or other facility-based agency	36.8	42.5
Some other type of agency	2.5	--

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Tables 4.3 and 4.4 show distributions for census division and size. The distribution of agencies surveyed corresponds to the sampling frame in all categories with the minor exception of unknown size (0.4% v. 3.3%). Finally, with regards to urban versus rural location (Table 4.5), respondents included a slightly higher proportion of rural agencies than found in the universe (37.2% v. 33.2%).

Table 4.3

Location of Agencies by Census Division

	Percent	
	Sample	**Universe**
New England	4.5	4.3
Middle Atlantic	6.7	6.9
South Atlantic	12.0	12.1
East North Central	15.5	15.4
East South Central	6.9	6.4
West North Central	12.4	11.4
West South Central	26.8	27.7
Mountain	6.8	6.9
Pacific	8.5	8.9

Definition of Census Divisions: **New England** -- Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont; **Middle Atlantic** -- New Jersey, New York, Pennsylvania; **East North Central** -- Illinois, Indiana, Michigan, Ohio, Wisconsin; **West North Central** -- Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Atlantic** -- Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **East South Central** -- Alabama, Kentucky, Mississippi, Tennessee; **West South Central** -- Arkansas, Louisiana, Oklahoma, Texas; **Mountain** -- Arizona, Colorado, Idaho, Montana, New Mexico, Nevada, Utah, Wyoming; **Pacific** -- Alaska, California, Hawaii, Oregon, Washington

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.4

Distribution of Sample and Medicare Home Health Agency Universe by Number of Medicare Patients Served

	Percent	
Number of Medicare Patients Served	Sample	Universe
Unknown	0.4	3.3
0 - 99	30.1	30.3
100 - 199	21.3	20.4
200 - 499	24.5	23.9
500 - 999	13.0	12.1
1,000 - 4,999	10.4	9.7
5,000 +	0.3	0.3

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.5

Urban (MSA) vs. Rural (Non-MSA) Location

	Percent	
	Sample	Universe
Rural	37.2	33.2
Urban	62.8	66.8

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Highlighting the importance of Medicare as a payment source for these home health agencies, two-thirds reported that 75% or more of their patients had Medicare fee-for-service coverage (Table 4.6). Agencies in New England had the most balance across categories. Just 35% of the agencies in this region had a census with 75% or more patients covered by Medicare fee-for-service (Table B6.1). Another 35% fell in the 50-74% category. Over 80% of West South Central agencies reported that 75%+ patients were Medicare fee-for-service.

Only 48% of VNAs reported that 75% or more of their patients were traditional Medicare patients (Table B6.3). Sixty-eight percent of other non-profits and 66% of proprietary agencies had 75% or more patients with this type of coverage versus 54% of government agencies (Table B6.4).

By contrast, nearly 85% of agencies reported that Medicaid comprised less than 25% of their payments (Table 4.7).

Table 4.6

Q9. About what percentage of the home health care visits that your agency provides are currently covered by regular Medicare fee-for-service?

Q10. Can you tell me whether the percentage of your home health care visits that are covered by Medicare fee-for-service is...

	Percent
Less than 25%	11.5
25% - 49%	7.0
50% - 74%	15.9
75% or more	65.6

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.7

Q11. About what percent of the home health care visits that your agency provides are covered by Medicaid?

Q12. Can you estimate whether the percentage of your home health care visits that are covered by Medicaid is...

	Percent
Less than 25%	84.7
25% - 49%	9.2
50% - 74%	2.9
75% or more	3.2

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.2 Knowledge of the Payment System

The majority of agencies reported that they were familiar with both the IPS Medicare payment limits as well as the changes passed by Congress in October 1998 (Tables 4.8 and 4.9). Almost 98% were very familiar or somewhat familiar. Less than 1% reported that they were not at all familiar with the IPS. Likewise, about 91% of those surveyed were very familiar or somewhat familiar with the adjustments to the IPS that were enacted in 1998. Only 1% said they were not at all familiar with the changes.

Table 4.8

Q1. How familiar are you with the Medicare payment limits established in 1997 as part of the Interim Payment System, or IPS? Would you say you are...

	Percent
Very familiar	69.5
Somewhat familiar	28.4
Not very familiar	1.5
Not at all familiar	0.7

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.9

Q7. How familiar are you with the changes to Medicare payment limits that were enacted by Congress in October, 1998?

	Percent
Very familiar	48.4
Somewhat familiar	42.6
Not very familiar	7.9
Not at all familiar	1.1

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Seventy-seven percent of agencies reported that the October 1998 modifications had no affect or decreased their limits (Table 4.10) Sixty-nine percent of agencies in the West South Central region reported a decrease, while only one-third of agencies in New England and in the Middle Atlantic regions reported a decrease in their limits (Table B5.1). Proprietary (58%) and non-VNA free-standing (58%) also reported decreased limits (Tables B5.3 and B5.2). Agencies with less than 100 patients (63%) and those with more than 5,000 (63%), were the most likely to report a decrease in their limits (Table B5.4.)

Table 4.10

Q8. How have these changes [by Congress in October 1998] affected your agency's payment limit? Have they...

	Percent
Increased the limit	23.3
Had no effect	25.7
Decreased the limit	50.9

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.2.1 Per-Beneficiary Cost Limits

Table 4.11 shows ranges of per-beneficiary cost limits reported by agencies. (Note that 5% reported limits less than $200. These agencies were probably reporting their per-visit cap or their interim per-visit reimbursement rate under the IPS. These cases were treated as missing and are not shown in the table.) Forty percent of agencies reported limits of $3,000-$3,999 and 31.1% reported figures in the $2,000-$2,999, with 13.3% in excess of $5,000.

Table 4.11

Q3. What is your agency's current per-beneficiary cost limit? If you're not sure of the exact amount, an estimate would be fine.

	Percent
Less than $1,000	0.2
$1,000 - $1999	4.8
$2,000 - $2,999	31.1
$3,000 - $3,999	40.5
$4000 - $4,999	10.0
$5,000 or more	13.3

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

About 44% of non-VNA free-standing agencies reported limits in the $3,000-$3,999 range and 26% in the $2,000-$2,999 (Table B1.2). These percentages were reversed for VNAs, 37% and 46%, respectively. Almost 49% of proprietary agencies reported limits in the $3,000-$3,999, compared to 36% of non-profits and 29% of government agencies (Table B1.3). Twenty percent of proprietary agencies had limits in excess of $5,000, versus 6% for non-profits and 15% for government agencies.

Forty-eight percent of agencies in the East South Central region had limits in excess of $5,000 (Table B1.1). Over 50% of agencies in the South Atlantic region and in the Mountain region had per-beneficiary caps in the $3,000-$3,999 range. For the West North Central region, 57% had caps in the $2,000-$2,999 range. About 18% of agencies with 100-199 patients and with 200-499 patients

reported caps over $5,000 (Table B1.4). These two groups made up 29% and 33% of agencies in the $5,000+ category.

Fifty-eight percent of agencies reported that they expected they would exceed their aggregate per-beneficiary limit (Table 4.12). This is in line with the Health Care Financing Administration's (HCFA) prediction of 60% (Federal Register, Vol. 63., No. 154, August 11, 1998, pp. 42935 - 42936). Only 58% of agencies that expected to exceed their limit had limits of $3000 or higher compared to 70% of agencies that anticipated being under their limits (Table B2.5). And agencies expecting to exceed their per-beneficiary limit were more likely to report that 75%+ patients were Medicare fee-for-service (70% v. 62%) (Table B6.5).

Only about one-third of New England agencies and 44% of East South Central agencies, expected to exceed their per-beneficiary cap (Table B2.1). In contrast, 61% of agencies in the West North Central region and 70% of agencies in West South Central region expected to go over their caps. Proprietary agencies (64%) were more likely than non-profit (54%) or government (56%) to report that they would reach their limit (Table B2.3). Less than 50% of visiting nurse associations thought they would exceed their per-beneficiary limit compared to 65% of other free-standing agencies and 50% of hospital-based agencies (Table B2.2) Smaller agencies were also more likely to anticipate reaching their limits: 69% with less than 100 patients and 60% with 100-199 patients (Table B2.4) Agencies with more than 5,000 patients had the lowest percentage, 50%.

Table 4.12

Q4. For your current fiscal year, do you expect your agency's Medicare costs to exceed your aggregate per-beneficiary limit?

	Percent
Yes	58.4
No	41.6

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.2.2 Per-Visit Cost Limit

Home health agency reimbursement is also limited by the per-visit cost limits which are applied in the aggregate. Approximately 64% of respondents expected to have costs exceeding these limits (Table B4.13). This figure far exceeds the 30% estimated in the Federal Register (Vol. 63., No. 154, August 11, 1998, pp. 42935 - 42936), most likely due to agency focus on reducing visits per patient in response to the per-beneficiary cost limits (see Table 4.25) without a corresponding reduction in fixed costs.

Again, less than half of agencies (43%) in New England and about 70% in the West South Central region expected they would exceed their aggregate per-visit cap (Table B3.1). Government agencies (77%) were more likely than proprietary (64%) or non-profit (61%) to report that they expected to exceed their per-visit limits (Table B3.3). About 55% of VNAs thought they would exceed their per-beneficiary limit compared to 64% of free-standing and 65% of hospital-based (Table B3.2). Smaller

agencies were also more likely to anticipate exceeding their limits: 67% with less than 100 patients and 70% with 100-199 patients (Table B3.4). Agencies with more than 5,000 patients were least likely to project exceeding the per-visit caps (58%).

Table 4.13

Q5. For your current fiscal year, do you expect your agency's costs will exceed your aggregate per-visit cost caps?

	Percent
Yes	64.1
No	35.9

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.3 Impacts of the IPS

4.3.1 Overpayment Demands

Because the IPS became effective so soon after enactment of the BBA, Medicare's Regional Home Health Intermediaries could not calculate the new cost limits before they went into effect, and they continued to issue interim payments to agencies at the pre-IPS levels. When the limits became available, agencies whose total interim payments for the year were projected to exceed their limits became subject to overpayment demands from the intermediaries.

For their last fiscal year, a majority of agencies, 54%, expected an overpayment demand from Medicare due to the IPS (Table 4.14). The West South Central region had the largest percentage of agencies reporting overpayments, 70%, while only 28% of New England agencies expected an overpayment demand (Table B4.1). Sixty-two percent of both proprietary and non-VNA free-standing agencies expected overpayment demands (Tables B4.2 and B4.3). Agencies with less than 100 patients (64%) and those with more than 5,000 (61%), were the most likely to report that they were anticipating an overpayment demand (Table B4.4).

Table 4.14

Q6. For your last fiscal year do you expect an overpayment demand from Medicare due to the interim payment system, or IPS?

	Percent
Yes	53.8
No	41.1
Not applicable, not under the IPS last fiscal year	5.2

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.3.2 Changes in Medicare Caseload

More than half of the agencies reported that their Medicare home health caseload had decreased since implementation of the IPS while 16% reported an increase and 28% reported that the number of Medicare patients served had remained the same (Table 4.15). Over 60% of the agencies in New England, East South Central, West North Central, and West South Central regions reported decreased caseloads, with 73% in East South Central reporting a drop in the number of Medicare patients served (Table B7.1). Proprietary agencies (60%) and VNAs (61%) were the most likely to report drops (Tables B7.2 and B7.3). With regard to size, agencies with 100-199 patients (64%) and those with over 5,000 patients (67%) were the categories with most agencies reporting decreases (Table B6.4). Agencies that expected to exceed either of their limits were more likely to have a decrease in their Medicare caseload — 59% v. 52% for per-beneficiary and 60% v. 51% for per-visit (Tables B6.5 and B6.6).

Table 4.15

Q13. Since your agency became subject to the IPS, has the number of Medicare home health patients you serve ...

	Percent
Increased	16.4
Decreased	56.1
Remained the same	27.6

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.3.3 Admission and Discharge Patterns

Nearly all of the respondents (98%) said they were accepting new patients (Table 4.16). Of those, 73% said they were accepting all Medicare fee-for-service patients (Table 4.17). Agencies that expected to exceed their limits were less likely to report accepting all traditional Medicare patients (Tables B11.1 and B11.2). For agencies expecting to exceed their per-beneficiary limit, only 67% were currently accepting all Medicare fee-for-service patients (v. 79%). Of those that anticipated exceeding their per-visit cap, just 71% were accepting traditional Medicare patients (v. 76%). A slightly greater percentage (99%) of all agencies was accepting new patients before the IPS (Table 4.18). Of these, 84% were accepting all Medicare fee-for service patients at that time (Table 4.19).

It seems that while nearly all agencies report being willing to admit patients, physicians are not making referrals. Seventy-seven percent of agencies reported that they had notice a reluctance on the part of physicians to refer patients for Medicare covered home health services (Table 4.20).

Table 4.16

Q21. Is your agency currently accepting new home health patients?

	Percent
Yes	97.9
No	2.1

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.17

Q22. Do you now accept all, some, or no new patients for home health care visits covered by...

	Medicare fee-for-service	Medicaid, including Medicaid HMO	Other coverage, including Medicare HMO and private insurance
All	72.7	62.6	61.2
Some	26.3	25.5	33.5
No	1.0	11.9	5.3

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February -March 1999.

Table 4.18

Q23. Was your agency accepting new patients before it became subject to the IPS?

	Percent
Yes	99.6
No	0.4

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.19

Q23a. Did you accept all, some, or no new patients for home health care visits covered by...

	Medicare fee-for-service	Medicaid, including Medicaid HMO	Other coverage, including Medicare HMO and private insurance
All	84.5	67.4	65.4
Some	14.9	24.3	31.3
No	0.6	8.2	3.3

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.20

Q17. In the past two years, have you noticed any increased reluctance on the part of physicians in your area to refer patients for Medicare covered home health services?

	Percent
Yes	77.2
No	22.8

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Almost 40% of respondents reported that there were patients they no longer admit due to the IPS and 31% of respondents reported that they have discharged patients due to the IPS (Tables 4.21 and 4.22). Fifty-two percent of East South Central agencies reported refusing to admit some patients and 45% of East South Central and of West South Central agencies reported discharging patients (Tables B9.1 and B8.1). Twenty-two percent of agencies in the Middle Atlantic region reported not admitting patients and only 13% of agencies in the region reported discharging patients. A higher percentage of non-VNA free-standing (47%) reported not admitting patients; a greater percentage of non-VNA free-standing agencies (36%) also reported discharging patients than VNAs (24%) or hospital-based (26%) (Tables B9.2 and B8.2). Fifty-two percent of proprietary agencies reported not admitting patients, versus 30% of VNAs and of government agencies (Table B9.3). Thirty-six percent of proprietary agencies reported IPS-related discharges, compared to 26% of VNAs and 31% of government agencies (Table B8.3).

Table 4.21

Q15. Are there patients whom you would previously have admitted for Medicare home health services who you no longer admit due to the IPS?

	Percent
Yes	38.9
No	61.1

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.22

Q14. Have you discharged any patients due to the IPS?

	Percent
Yes	31.1
No	68.9

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

It was the smallest agencies (those with less than 100 patients and those with 100-199 patients) that most frequently reported IPS-related refusals to admit patients (43% for both groups, Table B9.4). Agencies with 100-199 patients and 200-499 most frequently reported IPS-related discharges, 35% and 36%, respectively (Table B8.4). Agencies expecting to exceed their per-beneficiary caps were more likely to not admit others (47% v. 33%) and to discharge certain types of patients (37% v. 29%) (Tables B9.5 and B8.5). Likewise a greater proportion of agencies exceeding their per-visit limit reported IPS-related admission refusals (45% v. 31%) and discharges (33% v. 28%, Tables B9.6 and B8.6).

Long-term and chronic patients combined were mentioned by 29% of all agencies as having been discharged or no longer admitted (Table 4.23). Venipuncture (10%) and diabetes (9%) were named often as well.

Table 4.23

Q15a. What types of patients (did you discharge/ do you no longer admit/ did you discharge *and* do you no longer admit)?

	Percent
Long Term	19.1
Venipuncture	10.3
Chronic	9.6
Diabetic	8.9
Expensive	5.1
Wound Care	4.9
Complex	3.9
Daily Care/ BID/ TID	2.3
Requires Nursing Visits	1.8
Pulmonary or Coronary	1.6
Requires Therapy Visits	1.4
Transfer from other agencies	1.3
Paralysis (Paraplegic, Quadraplegic)	1.3
Lack of able caregiver	1.2
Acute care	0.9
Requires aide visits	0.7
Long Distance	0.5
Blind	0.5
Foot Care	0.3
Rehab	0.2
Transfers from Hospitals	0.2
Psychiatric	0.2
Terminal	0.2
Minimal skilled need	0.2
Unable to learn	0.1
Transfers from nursing facilities	0.1
Multiple Sclerosis	0.1
Cancer	0.1

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.3.4 Alternative Care Settings

In the face of anecdotal reports of traditional Medicare patients being denied home health care, concern has grown over the ability of this group to receive care. When asked what they thought was happening to patients they no longer serve, survey respondents most frequently reported that such patients are not receiving any care (23%) or that they are in a nursing facility (17%) (Table 4.24).

Table 4.24

Q16. In general, where do you think these patients are getting care instead?

	Percent
Not receiving any care	22.8
Nursing Facility/ Nursing Home	17.2
Family member took over care	7.7
Medicare home health from another agency	7.1
Hospital inpatient	6.3
Outpatient medical services at a hospital	5.0
Assisted living facility	2.3
Private Pay	1.7
Doctor's office	1.6
Medicaid	1.5
Other government agency (State/ county)	1.5
Outpatient therapy in home from a home health agency	1.5
Emergency rooms	1.0
AAA	0.6
Adult day care	0.5
Hospice	0.3
Foster care	0.2

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.3.5 Amount and Types of Services Provided

Seventy-one percent of agencies reported that they have decreased the number of visits provided per Medicare patient, while about 27% have remained the same (Table 4.25). Eighty-one percent of New England agencies reported a decrease, and over 70% in the South Atlantic, East South Central, West South Central, and Mountain regions (Table B10.1). Approximately 79% of VNAs reported a drop in visits, as did 76% of proprietary agencies (Tables B10.2 and B10.3). Agencies in the medium (200-499, 500-999) to large (1,000-4,999) size categories had the highest percentages of agencies reporting decreased visits, all over 75% (Table B10.4).

Table 4.25

Q18. Since the Medicare interim payment system was implemented, has the total number of visits per patient that your agency provides to Medicare beneficiaries...

	Percent
Increased	2.0
Decreased	71.1
Remained the same	26.9

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

About 46% of agencies have changed their mix of visit types. Most agencies report having decreased home health aide visits (28%), skilled nursing visits (14%), and rehab visits (13%, Table 4.26).

Table 4.26

Q.19 Since your agency became subject to the IPS, have you changed the relative mix of the different types of visits that you provide to Medicare home health patients, such as skilled nursing, medical social services, rehab, or home health aide?

	Percent
Yes	45.5
No	54.5

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table 4.27

Q20. How has your visit mix changed?

	Percent
More skilled nursing	8.4
Less skilled nursing	14.5
More medical social services	4.2
Less medical social services	8.4
More rehab (PT, OT, Speech)	5.6
Less rehab (PT, OT, Speech)	13.1
More home health aide	3.7
Less home health aide	28.1

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

4.3.6 Agency Organization, Management, Staffing, & Costs

Over 75% of agencies reported that they had reduced clinical staff or hours as a result of the IPS (Table 4.28). Over 90% of agencies in the East South Central and West South Central regions reported reductions (Table B12.1). Almost 82% of proprietary agencies reported reductions, compared to 74% of non-profits and 67% of government agencies (Table B12.3). Large agencies, in excess of 5,000 patients, had the highest percentage reporting staff reductions, almost 86% (Table B12.4). Agencies expecting to exceed their per-beneficiary limits were more likely to report reductions, 83% v. 74% of those expecting to remain under their per-beneficiary cap (Table B12.5). Likewise 80% of agencies expecting to exceed their per-visit limits were more likely to report reductions (v. 71% expecting to remain under their per-visit cap, Table B12.6).

Table 4.28

Q24. Do you feel that your agency has taken any of the following actions as a result of the implementation of the IPS?

	Reduced Clinical staff number or hours	Reduced Administrative staff number or hours	Reduced staff benefits or curtailed salary increases	Shut down branches	Changed ownership or ownership structure
Yes	76.6	71.5	59.1	40.2	14.9
No	23.4	28.5	40.9	59.8	85.1

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

About 70% of all agencies reported a reduction in administrative staff or hours attributed to the IPS. The East South Central and the West South Central regions had the highest percentages of agencies with administrative reductions, 85% and 88%, respectively (Table B13.1). Free-standing agencies (78%) and proprietary agencies (82%) had the highest percentages in their respective categories (Tables B13.2 and B13.3). The large agencies, those with 1,000-4,999 patients and those over 5,000 patients, had the highest percentages reporting administrative reductions, about 86% (Table B13.4). Seventy-four percent of agencies expecting to exceed their per-visit limits had made these types of reductions (v. 68%) (Table B13.6).

More than half (55%) of all agencies had reduced staff benefits or curtailed salary increases as a result of the IPS. Eighty percent of West South Central agencies had reduced benefits (Table B14.1). Seventy-eight percent of free-standing agencies had reduced staff benefits, compared to 67% of VNAs and only 31% of hospital-based agencies (Table B14.2). Large agencies, in excess of 5,000 patients, had the highest percentage with staff reductions, 81% (Table B14.4). Agencies expecting to exceed their per-beneficiary cap were more likely to have made these types of reductions (67% v. 55%) (Table B14.5).

About 40% of respondents reported that their agency had shut down branch offices as a result of the IPS. At almost 71%, East South Central agencies had the highest percentage of agencies that had closed branches (Table B15.1). Fifty-three percent of proprietary agencies reported branch shut downs, versus 31% of non-profits and 22% of government agencies (Table B15.3). Agencies with over 5,000 patients most frequently reported branch office shutdowns (53%) (Table B15.4). Those agencies that felt they would exceed their limits were more likely to report closures than those who did not (per-beneficiary limits — 47% v. 35%; per-visit limit — 44% v. 36%) (Tables B15.5 and B15.6).

Only 15% of agencies reported a change in ownership or ownership structure as a result of the IPS (Table 4.28) though only 2% specifically reported a change in ownership (Table 4.29), suggesting that restructuring was the more common response. Over 20% of agencies in the West South Central and in the Pacific regions, non-VNA free-standing agencies, and proprietary agencies reported ownership changes (Tables B16.1 - B16.3). Almost 30% of agencies with more than 5,000 patients and slightly more than 20% of agencies with 500-999 patients reported an IPS-related change in ownership or ownership structure (Table B16.4). Eighteen percent of agencies that expected to exceed either IPS cost limit had changed ownership compared to 12% of those projecting costs under their per-beneficiary limit and 10% of those with costs under their per-visit limit (Tables B16.5 and B16.6).

Table 4.29

Q27/28. Agency Ownership and Medicare Provider Number Changes

	Q27. Since your agency became subject to the IPS, has ownership of your agency changed?	Q.28 Has your Medicare provider number changed since you became subject to the IPS?
	Percent	Percent
Yes	1.6	2.3
No	98.4	97.7

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Appendix A

Weighting the Data

Base Sampling Weight

The first step in the weighting methodology is to assign a base sampling weight to each respondent home health agency. Twenty-seven agencies were selected with certainty. All the agencies in this group that are respondents were assigned a base sampling weight of one. For the agencies sampled within each cell, the base sampling weight was obtained by taking the ratio of the number of agencies in the population in a cell to the number selected in the sample. The number selected in the sample includes respondents, nonrespondents, ineligibles and status unknown.

If the total number of health agencies in cell h is denoted by N_h and the number of agencies selected in the sample is n_h, the base sampling weight for a respondent agency in cell h is given by

$$W_h = \frac{N_h}{n_h}.$$

Unit Nonresponse Adjustment

When a selected home health agency was called four results were possible: (1) the agency was still operating and provided data; (2) the agency was no longer eligible for the survey; (3) the agency was eligible but did not provide data and is considered a nonrespondent to the survey; (4) it was not known whether the agency is eligible for the survey or not as there was no response to the survey. The procedure for nonresponse adjustment is described below.

The nonrespondents among those agencies that were selected with certainty were classified according to state in which these are located and by size. The weight of some of the responding agencies in the same state and size were increased from 1 to account for these nonrespondents. The adjustments were determined after examination and classification of the nonresponding agencies. A similar procedure was used for agencies with size unknown. These were stratified according to state and the weights of the responding agencies were adjusted to account for nonrespondents.

Let the number of home health agencies that respond to the data collection attempts be n_{h1} out of the n_h called. Let n_{h2} be the number of agencies that are eligible to be in the survey but do not respond. These are nonrespondents to the survey. Let n_{h3} be the number of agencies that are ineligible determined based on the disposition codes. Let n_{h4} be the health agencies whose status is unknown. That is, the eligibility of these agencies is not known. We have to estimate the number of eligible health agencies in this group. We have

$$n = n_{h1} + n_{h2} + n_{h3} + n_{h4}.$$

Let the number of eligible health agencies out of n_{h4} be $\hat{n}_{h41}$. We determine $\hat{n}_{h41}$ by making

$$\hat{n}_{h41} = n_{h4} \frac{n_{h1} + n_{h2}}{n_{h1} + n_{h2} + n_{h3}}.$$

The nonresponse adjustment is given by the ratio

$$A_h = \frac{n_{h1} + n_{h2} + \hat{n}_{h41}}{n_{h1}}.$$

The nonresponse adjusted sampling weight is given by the product

$$W^*_h = W_h \, A_h.$$

Responding home health agencies in cell h received a final weight W^*_h.

Estimate of a Total

Let $\hat{Y}_h$ be the estimated total of some characteristic relating to home health agencies in cell h. This total is given by

$$\hat{Y}_h = \sum_{i=1}^{n_{h1}} W^*_h \, y_{hi}$$

where y_{hi} is the value of the characteristic for home health agency i in cell h. If we are estimating proportions, then y_{hi} takes the value 1 or 0 depending on whether the agency answers "yes" or "no" to a specific question. The estimate of a population proportion in cell h is given by

$$\hat{P}_h = \frac{\hat{Y}_h}{\hat{N}_h}$$

where $\hat{N}_h = \sum_{i=1}^{n_{h1}} W^*_h$.

An overall estimate of this proportion is given by

$$\hat{P} = \frac{\sum_{h=1}^{L} \hat{Y}_h}{\sum_{h=1}^{L} \hat{N}_h}$$

where L is the total number of cells including certainty strata.

Appendix B

Crosstabulations

Q3. What is your agency's current per-beneficiary cost limit? If you're not sure of the exact amount, an estimate would be fine.

Table B1.1

Distribution of reported current per-beneficiary cost limit within Census Division

Census Division	Percent				
	Less than $2,000	$2,000 - $2,999	$3,000 - $3,999	$4000 - $4,999	$5,000 or more
New England	4.2	21.7	43.5	17.7	12.9
Middle Atlantic	13.8	49.0	26.8	9.5	1.0
South Atlantic	2.9	28.3	52.6	11.8	4.5
East North Central	5.4	42.5	47.7	3.7	0.7
East South Central	0.0	8.4	25.2	18.4	48.0
West North Central	13.9	56.7	20.4	0.9	8.0
West South Central	0.8	24.0	43.5	8.2	23.6
Mountain	10.0	23.5	50.2	9.0	7.2
Pacific	2.4	20.3	44.1	27.5	5.7

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B1.2

Facility type (self-reported) *by* Reported current per-beneficiary cost limit

Facility Type	Percent				
	Less than $2,000	$2,000 - $2,999	$3,000 - $3,999	$4000 - $4,999	$5,000 or more
A visiting nurse association, or VNA	7.1	45.6	37.0	8.2	2.1
Another type of free-standing home health agency	2.9	25.8	43.5	10.6	17.1
A hospital-based or other facility based	6.6	37.8	37.0	9.8	8.8
Some other type of agency	29.1	9.1	37.6	3.3	20.8

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B1.3

Agency control (self-reported) *by* Reported current per-beneficiary cost limit

Agency Control	Percent				
	Less than $2,000	$2,000 - $2,999	$3,000 - $3,999	$4000 - $4,999	$5,000 or more
Voluntary, private non-profit or religious...	5.7	43.0	36.4	8.6	6.3
Proprietary or for profit, or...	1.7	17.2	48.5	12.3	20.3
A government agency	14.0	35.4	28.7	7.2	14.8

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B1.4

Number of Medicare patients served *by* Reported current per-beneficiary cost limit

Number of Medicare Patients Served	Percent				
	Less than $2,000	$2,000 - $2,999	$3,000 - $3,999	$4000 - $4,999	$5,000 or more
Unknown	5.9	11.8	64.7	11.8	5.9
0 - 99	6.3	35.1	43.6	4.7	10.3
100 - 199	6.0	26.6	36.8	12.5	18.1
200 - 499	5.2	26.3	38.4	12.3	17.9
500 - 999	3.2	34.8	41.6	12.5	8.0
1000 - 4999	1.9	36.0	42.5	10.8	8.8
5000 +	0.0	42.9	35.7	21.4	0.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q4. For your current fiscal year, do you expect your agency's Medicare costs to exceed your aggregate per-beneficiary limit?

Table B2.1

Census Division *by* Expectation of exceeding current year per-beneficiary limit

Census Division	Percent	
	Exceed Limit	Not Exceed Limit
New England	35.1	64.9
Middle Atlantic	52.5	47.5
South Atlantic	55.5	44.5
East North Central	56.0	44.0
East South Central	43.9	56.1
West North Central	61.0	39.0
West South Central	70.2	29.8
Mountain	53.5	46.5
Pacific	57.4	42.6

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B2.2

Facility type (self-reported) *by* Expectation of exceeding current year per-beneficiary limit

Facility Type	Percent	
	Exceed Limit	Not Exceed Limit
A visiting nurse association, or VNA	48.5	51.5
Another type of free-standing home health agency	65.0	35.0
A hospital-based or other facility based	50.2	49.8
Some other type of agency	54.0	46.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B2.3

Agency control (self-reported) *by* Expectation of exceeding current year per-beneficiary limit

Agency Control	Percent	
	Exceed Limit	Not Exceed Limit
Voluntary, private non-profit or religious...	54.0	46.0
Proprietary or for profit, or...	63.7	36.3
A government agency	55.7	44.3

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B2.4

Number of Medicare patients served *by* Expectation of exceeding current year per-beneficiary limit

Number of Medicare Patients Served	Percent	
	Exceed Limit	Not Exceed Limit
Unknown	64.7	35.3
0 - 99	69.2	30.8
100 - 199	60.4	39.6
200 - 499	55.9	44.1
500 - 999	51.8	48.2
1000 - 4999	39.3	60.7
5000 +	50.0	50.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B2.5

Expectation of exceeding current year per-beneficiary cost limits *by* Reported current per-beneficiary cost limit

Expectation:	Percent				
	Less than $2,000	$2,000 - $2,999	$3,000 - $3,999	$4000 - $4,999	$5,000 or more
Will exceed limit	5.9	36.1	41.0	8.6	8.5
Will not exceed limit	4.2	25.1	40.0	11.2	19.6

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q5. For your current fiscal year, do you expect your agency's costs will exceed your aggregate per-visit cost caps?

Table B3.1

Census Division *by* Expectation of exceeding current year per-visit limit

Census Division	Percent	
	Exceed Limit	Not Exceed Limit
New England	42.8	57.2
Middle Atlantic	57.8	42.2
South Atlantic	64.2	35.8
East North Central	62.4	37.6
East South Central	64.4	35.6
West North Central	64.1	35.9
West South Central	69.7	30.3
Mountain	64.4	35.6
Pacific	64.3	35.7

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B3.2

Facility type (self-reported) *by* Expectation of exceeding current year per-visit limit

Facility Type	Percent	
	Exceed Limit	Not Exceed Limit
A visiting nurse association, or VNA	54.6	45.4
Another type of free-standing home health agency	64.1	35.9
A hospital-based or other facility based	65.8	34.2
Some other type of agency	68.7	31.3

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B3.3

Agency control (self-reported) *by* Expectation of exceeding current year per-visit limit

Agency Control	Exceed Limit	Not Exceed Limit
Voluntary, private non-profit or religious...	60.6	39.4
Proprietary or for profit, or...	64.4	35.6
A government agency	76.7	23.3

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B3.4

Number of Medicare patients served *by* Expectation of exceeding current year per-visit limit

Number of Medicare Patients Served	Percent	
	Exceed Limit	Not Exceed Limit
Unknown	73.7	26.3
0 - 99	67.0	33.0
100 - 199	70.2	29.8
200 - 499	60.4	39.6
500 - 999	58.9	41.1
1000 - 4999	58.1	41.9
5000 +	57.9	42.1

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B3.5

Expectation of exceeding current year per-visit limit *by* Reported current per-beneficiary cost limit

Expectation:	Percent				
	Less than $2,000	$2,000 - $2,999	$3,000 - $3,999	$4000 - $4,999	$5,000 or more
Exceed limit	5.3	33.6	40.9	7.9	12.3
Not exceed limit	4.6	26.1	39.7	13.6	16.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q6. For your last fiscal year do you expect an overpayment demand from Medicare due to the interim payment system?

Table B4.1

Census Division *by* Expectation of IPS-related overpayment demand

Census Division	Percent		
	Yes Overpayment Demand	No Overpayment Demand	Not Under the IPS Last Fiscal Year
New England	28.4	59.4	12.2
Middle Atlantic	45.8	48.1	6.2
South Atlantic	46.2	40.9	12.9
East North Central	46.2	48.6	5.2
East South Central	47.9	48.0	4.2
West North Central	56.0	43.7	0.4
West South Central	70.4	26.3	3.3
Mountain	49.3	48.1	2.7
Pacific	49.0	45.5	5.5

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B4.2

Facility type (self-report) *by* Expectation of IPS-related overpayment demand

Facility Type	Percent		
	Yes Overpayment Demand	No Overpayment Demand	Not Under the IPS Last Fiscal Year
A visiting nurse association, or VNA	51.0	43.7	5.4
Another type of free-standing home health agency	61.7	34.8	3.6
A hospital-based or other facility based	43.5	48.7	7.9
Some other type of agency	27.8	70.0	2.2

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B4.3

Agency control (self-report) *by* Expectation of IPS-related overpayment demand

Agency Control	Percent		
	Yes Overpayment Demand	No Overpayment Demand	Not Under the IPS Last Fiscal Year
Voluntary, private non-profit or religious...	49.6	45.0	5.4
Proprietary or for profit, or...	62.0	33.7	4.3
A government agency	41.3	51.1	7.6

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B4.4

Number of Medicare patients served *by* Expectation of IPS-related overpayment demand

Number of Medicare Patients Served	Percent		
	Yes Overpayment Demand	No Overpayment Demand	Not Under the IPS Last Fiscal Year
Unknown	55.0	45.0	0.0
0 - 99	64.4	32.8	2.8
100 - 199	50.5	47.2	2.3
200 - 499	52.0	43.3	4.7
500 - 999	44.1	44.0	11.9
1000 - 4999	45.1	43.8	11.1
5000 +	61.1	38.9	0.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q8. How have these changes by Congress in October 1998] affected your agency's payment limit? Have they...

Table B5.1

Census Division *by* Perceived effect of 1998 changes on payment limits

Census Division	Percent		
	Increased Limits	No Effect on Limits	Decreased Limits
New England	31.3	34.9	33.7
Middle Atlantic	37.6	28.8	33.6
South Atlantic	20.8	33.2	46.0
East North Central	28.4	30.5	41.2
East South Central	27.8	31.1	41.1
West North Central	21.3	31.9	46.7
West South Central	13.5	17.5	69.0
Mountain	20.4	25.4	54.2
Pacific	37.2	13.2	49.6

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B5.2

Facility type (self-report) *by* Perceived effect of 1998 changes on payment limits

Facility Type	Increased Limits	No Effect on Limits	Decreased Limits
A visiting nurse association, or VNA	31.2	33.0	35.8
Another type of free-standing home health agency	20.2	22.3	57.5
A hospital-based or other facility based	28.0	29.1	42.9
Some other type of agency	5.2	37.6	57.2

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B5.3

Agency control (self-report) *by* Perceived effect of 1998 changes on payment limits

Agency Control	Percent		
	Increased Limits	No Effect on Limits	Decreased Limits
Voluntary, private non-profit or religious...	27.3	25.3	47.4
Proprietary or for profit, or...	19.1	22.9	58.0
A government agency	23.4	38.8	37.8

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B5.4

Number of Medicare patients served *by* Perceived effect of 1998 changes on payment limits

Number of Medicare Patients Served	Increased Limits	No Effect on Limits	Decreased Limits
Unknown	9.5	42.9	47.6
0 - 99	12.1	25.0	62.9
100 - 199	19.2	26.9	53.9
200 - 499	26.4	23.1	50.5
500 - 999	34.1	34.0	31.9
1000 - 4999	43.1	21.6	35.3
5000 +	31.6	5.3	63.2

Note: Based on chi-square, p< .001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q9. About what percentage of the home health care visits that your agency provides are currently covered by regular Medicare fee-for-service?

Q10. Can you tell me whether the percentage of your home health care visits that are covered by Medicare fee-for-service is...

Table B6.1

Census Division *by* Percentage of visits under Medicare fee-for-service

Census Division	Percent			
	Less than 25%	25% - 49%	50% - 74%	75% or more
New England	12.6	17.8	34.9	34.6
Middle Atlantic	12.1	8.4	34.4	45.2
South Atlantic	5.4	7.3	20.8	66.5
East North Central	12.7	7.7	14.2	65.4
East South Central	1.2	5.0	24.1	69.7
West North Central	25.1	9.4	13.9	51.7
West South Central	9.0	2.7	7.3	81.0
Mountain	18.7	7.6	11.5	62.3
Pacific	7.1	9.9	14.5	68.5

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B6.2

Facility type (self-reported) *by* Percentage of visits under Medicare fee-for-service

Facility Type	Percent			
	Less than 25%	25% - 49%	50% - 74%	75% or more
A visiting nurse association, or VNA	7.0	12.3	32.7	48.0
Another type of free-standing home health agency	15.1	8.1	11.8	64.9
A hospital-based or other facility based	5.5	4.6	19.1	70.8
Some other type of agency	31.5	4.5	18.0	46.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B6.3

Agency control (self-reported) *by* Percentage of visits under Medicare fee-for-service

Agency Control	Percent			
	Less than 25%	25% - 49%	50% - 74%	75% or more
Voluntary, private non-profit or religious...	6.7	5.7	19.4	68.2
Proprietary or for profit, or...	16.3	8.0	9.9	65.8
A government agency	14.3	9.0	22.5	54.2

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B6.4

Number of Medicare patients served *by* Percentage of visits under Medicare fee-for-service

Number of Medicare Patients Served	Percent			
	Less than 25%	25% - 49%	50% - 74%	75% or more
Unknown	57.1	4.8	0.0	38.1
0 - 99	23.7	7.2	6.8	62.4
100 - 199	10.5	8.1	11.9	69.5
200 - 499	4.8	8.4	17.2	69.6
500 - 999	2.9	4.8	24.8	67.6
1000 - 4999	3.3	4.1	35.8	56.8
5000 +	4.8	0.0	38.1	67.1

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B6.5

Expectation of exceeding current year per-beneficiary limit *by* Medicare fee-for-service payor source

Expectation:	Percent			
	Less than 25%	25% - 49%	50% - 74%	75% or more
Exceed limit	8.7	8.6	12.4	70.3
Not exceed limit	11.3	6.2	20.7	61.8

Note: Based on chi-square, $p < .001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B6.6

Expectation of exceeding current year per-visit limit *by* Medicare fee-for-service payor source

Expectation:	Percent			
	Less than 25%	25% - 49%	50% - 74%	75% or more
Exceed limit	10.4	7.2	15.2	67.2
Not exceed limit	13.9	6.3	16.7	63.1

Note: Based on chi-square, $p < .001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q13. Since your agency became subject to the IPS, has the number of Medicare home health patients you serve [increased/decreased/remained the same]?

Table B7.1

Census Division *by* Change in the number of Medicare home health patients served since implementation of the IPS

Census Division	Percent		
	Increased No. of Pts.	Decreased No. of Pts.	Remained the Same
New England	15.2	62.7	22.1
Middle Atlantic	15.9	33.0	51.1
South Atlantic	22.6	52.6	24.8
East North Central	14.2	50.2	35.6
East South Central	12.3	72.6	15.1
West North Central	10.5	61.3	28.2
West South Central	17.7	66.5	15.8
Mountain	22.7	46.8	30.5
Pacific	15.1	40.6	44.3

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B7.2

Agency control (self-report) *by* Change in the number of Medicare home health patients served since implementation of the IPS

Agency Control	Percent		
	Increased No. of Pts.	Decreased No. of Pts.	Remained the Same
Voluntary, private non-profit or religious...	15.3	52.4	32.3
Proprietary or for profit, or...	19.8	60.4	19.8
A government agency	7.9	56.1	36.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B7.3

Facility type (self-report) *by* Change in the number of Medicare home health patients served since implementation of the IPS

Facility Type	Percent		
	Increased No. of Pts.	Decreased No. of Pts.	Remained the Same
A visiting nurse association, or VNA	12.8	60.8	26.4
Another type of free-standing home health agency	18.2	58.1	23.7
A hospital-based or other facility based	14.9	50.8	34.3
Some other type of agency	2.2	80.9	16.9

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B7.4

Number of Medicare patients served *by* Change in the number of Medicare home health patients served since implementation of the IPS

Number of Medicare Patients Served	Percent		
	Increased No. of Pts.	Decreased No. of Pts.	Remained the Same
Unknown	19.0	52.4	28.6
0 - 99	18.1	57.2	24.7
100 - 199	12.9	64.2	22.9
200 - 499	17.8	52.4	29.8
500 - 999	15.5	46.6	37.9
1000 - 4999	15.6	56.8	27.6
5000 +	23.8	66.7	9.5

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B7.5

Expectation of exceeding current year per-beneficiary limit *by* Change in the number of Medicare home health patients served since implementation of the IPS

Expectation:	Percent		
	Increased No. of Pts.	Decreased No. of Pts.	Remained the Same
Exceed limit	14.7	59.5	25.8
Not exceed limit	20.5	52.7	26.8

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B7.6

Expectation of exceeding current year per-visit limit *by* Change in the number of Medicare home health patients served since implementation of the IPS

Expectation:	Percent		
	Increased No. of Pts.	Decreased No. of Pts.	Remained the Same
Exceed limit	13.6	60.0	26.5
Not exceed limit	20.8	50.6	28.6

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q14. Have you discharged any patients due to the IPS?

Table B8.1

Census Division *by* Percent of agencies reporting patient discharges due to the IPS

Census Division	Percent	
	IPS Discharges	No IPS Discharges
New England	21.6	78.4
Middle Atlantic	12.9	87.1
South Atlantic	26.4	73.6
East North Central	27.8	72.2
East South Central	44.9	55.1
West North Central	23.5	76.5
West South Central	44.8	55.2
Mountain	20.6	79.4
Pacific	27.6	72.4

Note: Based on chi-square. p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B8.2

Facility type (self-reported) *by* Percent of agencies reporting patient discharges due to the IPS

Facility Type	Percent	
	IPS Discharges	No IPS Discharges
A visiting nurse association, or VNA	23.7	76.3
Another type of free-standing home health agency	36.3	63.7
A hospital-based or other facility based	25.9	74.1
Some other type of agency	11.9	88.1

Note: Based on chi-square. p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B8.3

Agency control (self-reported) *by* Percent of agencies reporting patient discharges due to the IPS

Agency Control	Percent	
	IPS Discharges	No IPS Discharges
Voluntary, private non-profit or religious...	26.4	73.6
Proprietary or for profit, or...	36.6	63.4
A government agency	30.6	69.4

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B8.4

Number of Medicare patients served *by* Percent of agencies reporting patient discharges due to the IPS

Number of Medicare Patients Served	Percent	
	IPS Discharges	No IPS Discharges
Unknown	5.3	94.7
0 - 99	29.8	70.2
100 - 199	35.0	65.0
200 - 499	35.6	64.4
500 - 999	26.6	73.4
1000 - 4999	23.4	76.6
5000 +	20.0	80.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B8.5

Expectation of exceeding current year per-beneficiary limit *by* Percent of agencies reporting patient discharges due to the IPS

Expectation:	Percent	
	IPS Discharges	No IPS Discharges
Exceed limit	37.4	62.6
Not exceed limit	29.0	71.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B8.6

Expectation of exceeding current year per-visit limit *by* Percent of agencies reporting patient discharges due to the IPS

Expectation:	Percent	
	IPS Discharges	No IPS Discharges
Exceed limit	33.8	66.2
Not exceed limit	28.2	71.8

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Q15. Are there patients whom you would previously have admitted for Medicare home health services who you no longer admit due to the IPS?

Table B9.1

Census Division *by* Percent of agencies reporting change in admissions practices due to the IPS

Census Division	Percent	
	Change in Admission Practices	No Change in Admission Practices
New England	32.0	68.0
Middle Atlantic	21.6	78.4
South Atlantic	43.8	56.2
East North Central	35.5	64.5
East South Central	52.4	47.6
West North Central	40.1	59.9
West South Central	43.7	56.3
Mountain	32.4	67.6
Pacific	33.2	66.8

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B9.2

Facility type (self-report) *by* Percent of agencies reporting change in admissions practices due to the IPS

Facility Type	Percent	
	Change in Admission Practices	No Change in Admission Practices
A visiting nurse association, or VNA	28.3	71.7
Another type of free-standing home health agency	47.1	52.9
A hospital-based or other facility based	30.8	69.2
Some other type of agency	14.6	85.4

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B9.3

Agency control (self-report) *by* Percent of agencies reporting change in admissions practices due to the IPS

Agency Control	Percent	
	Change in Admission Practices	No Change in Admission Practices
Voluntary, private non-profit or religious...	29.7	70.3
Proprietary or for profit, or...	52.4	47.6
A government agency	30.3	69.7

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B9.4

Number of Medicare patients served *by* Percent of agencies reporting change in admissions practices due to the IPS

Number of Medicare Patients Served	Percent	
	Change in Admission Practices	No Change in Admission Practices
Unknown	38.9	61.1
0 - 99	42.6	57.4
100 - 199	43.1	56.9
200 - 499	35.2	64.8
500 - 999	38.6	61.4
1000 - 4999	29.8	70.2
5000 +	25.0	75.0

Note: Based on chi-square, p< .001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B9.5

Expectation of exceeding current year per-beneficiary limit *by* Percent of agencies reporting change in admissions practices due to the IPS

Expectation:	Percent	
	Change in Admission Practices	No Change in Admission Practices
Exceed limit	46.9	53.1
Not exceed limit	33.5	66.5

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B9.6

Expectation of exceeding current year per-visit limit *by* Percent of agencies reporting change in admissions practices due to the IPS

Expectation:	Percent	
	Change in Admission Practices	No Change in Admission Practices
Exceed limit	44.6	55.4
Not exceed limit	31.3	68.7

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Q18. Since the Medicare interim payment system was implemented, has the total number of visits per patient that your agency provides to Medicare beneficiaries...

Table B10.1

Census Division *by* Change in number of visits per Medicare patient since implementation of the IPS

Census Division	Percent		
	Increased No. of Visits	Decreased No. of Visits	Remained the Same
New England	1.2	80.6	18.1
Middle Atlantic	2.1	57.1	40.8
South Atlantic	3.7	72.5	23.8
East North Central	2.1	68.7	29.2
East South Central	1.8	76.5	21.6
West North Central	1.1	62.3	36.5
West South Central	1.3	79.3	19.4
Mountain	2.7	75.7	21.6
Pacific	2.8	58.5	38.8

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B10.2

Facility type (self-reported) *by* Change in number of visits per Medicare patient since implementation of the IPS

Facility Type	Percent		
	Increased No. of Visits	Decreased No. of Visits	Remained the Same
A visiting nurse association, or VNA	1.6	78.8	19.6
Another type of free-standing home health agency	1.3	72.5	26.2
A hospital-based or other facility based	3.1	69.1	27.8
Some other type of agency	0.0	50.4	49.6

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B10.3

Agency control (self-reported) *by* Change in number of visits per Medicare patient since implementation of the IPS

Agency Control	Percent		
	Increased No. of Visits	Decreased No. of Visits	Remained the Same
Voluntary, private non-profit or religious...	2.5	69.1	28.4
Proprietary or for profit, or...	0.8	76.4	22.8
A government agency	3.3	61.8	34.9

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B10.4

Number of Medicare patients served *by* Change in number of visits per Medicare patient since implementation of the IPS

Number of Medicare Patients Served	Percent		
	Increased No. of Visits	Decreased No. of Visits	Remained the Same
Unknown	0.0	61.9	38.1
0 - 99	1.4	66.3	32.3
100 - 199	1.9	67.5	30.6
200 - 499	3.0	75.6	21.4
500 - 999	2.0	75.5	22.5
1000 - 4999	1.4	76.7	21.9
5000 +	5.0	70.0	25.0

Note: Based on chi-square, p< .001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q22. Do you now accept all, some, or no new patients for home health care visits covered by...

Table B11.1

Expectation of exceeding current year per-beneficiary limit *by* Currently accepting new Medicare fee-for-service patients

Expectation:	Percent		
	All Medicare fee-for-service Pts.	Some Medicare fee-for-service Pts	No Medicare fee-for-service Pts
Exceed limit	67.4	31.5	1.1
Not exceed limit	78.6	20.8	0.6

Note: Based on chi-square. p<.001

Sources: MedPAC survey of Medicare-certified home health agencies. conducted by Abt Associates Inc. February - March 1999.

Table B11.2

Expectation of exceeding current year per-visit limit *by* Currently accepting new Medicare fee-for-service patients

Expectation:	Percent		
	All Medicare fee-for-service Pts.	Some Medicare fee-for-service Pts	No Medicare fee-for-service Pts
Exceed limit	70.6	28.3	1.1
Not exceed limit	76.4	23.0	0.6

Note: Based on chi-square. p<.001

Sources: MedPAC survey of Medicare-certified home health agencies. conducted by Abt Associates Inc. February - March 1999

Q24a. Do you feel that your agency has taken any of the following actions as a result of the implementation of the IPS? -- Reduced clinical staff number or hours due to the IPS

Table B12.1

Census Division *by* Reduced clinical staff number or hours due to the IPS

Census Division	Percent	
	Reduced Clin. Staff No. or Hrs.	Did Not Reduce Clin. Staff No. or Hrs
New England	71.6	28.4
Middle Atlantic	61.4	38.6
South Atlantic	73.6	26.4
East North Central	69.1	30.9
East South Central	91.1	8.9
West North Central	66.4	33.6
West South Central	91.0	9.0
Mountain	72.4	27.6
Pacific	69.9	30.1

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B12.2

Facility type (self-report) *by* Reduced clinical staff number or hours due to the IPS

Facility Type	Percent	
	Reduced Clin. Staff No. or Hrs.	Did Not Reduce Clin. Staff No. or Hrs
A visiting nurse association, or VNA	72.0	28.0
Another type of free-standing home health agency	79.1	20.9
A hospital-based or other facility based	74.2	25.8
Some other type of agency	68.5	31.5

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B12.3

Agency control (self-report) *by* Reduced clinical staff number or hours due to the IPS

Agency Control	Percent	
	Reduced Clin. Staff No. or Hrs.	Did Not Reduce Clin. Staff No. or Hrs
Voluntary, private non-profit or religious...	74.3	25.7
Proprietary or for profit, or...	81.9	18.1
A government agency	67.4	32.6

Note. Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B12.4

Number of Medicare patients served *by* Reduced clinical staff number or hours due to the IPS

Number of Medicare Patients Served	Percent	
	Reduced Clin. Staff No. or Hrs.	Did Not Reduce Clin. Staff No. or Hrs
Unknown	52.4	47.6
0 - 99	73.5	26.5
100 - 199	81.6	18.4
200 - 499	77.9	22.1
500 - 999	74.5	25.5
1000 - 4999	75.4	24.6
5000 +	85.7	14.3

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B12.5

Expectation of exceeding current year per-beneficiary limit *by* Reduced clinical staff number or hours due to the IPS

Expectation:	Percent	
	Reduced Clin. Staff No. or Hrs.	Did Not Reduce Clin. Staff No. or Hrs
Exceed limit	83.1	16.9
Not exceed limit	74.1	25.9

Note: Based on chi-square, $p < 001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B12.6

Expectation of exceeding current year per-visit limit *by* Reduced clinical staff number or hours due to the IPS

Expectation:	Percent	
	Reduced Clin. Staff No. or Hrs.	Did Not Reduce Clin. Staff No. or Hrs
Exceed limit	80.5	19.5
Not exceed limit	71.2	28.8

Note: Based on chi-square, $p < .001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Q24b. Do you feel that your agency has taken any of the following actions as a result of the implementation of the IPS? -- Reduced administrative staff number or hours due to the IPS

Table B13.1

Census Division *by* Reduced administrative staff number or hours due to the IPS

Census Division	Percent	
	Reduced Admin. Staff No. or Hrs.	Did Not Reduce Admin. Staff No. or Hrs
New England	70.4	29.6
Middle Atlantic	58.2	41.8
South Atlantic	73.3	26.7
East North Central	61.6	38.4
East South Central	85.2	14.8
West North Central	52.3	47.7
West South Central	87.8	12.2
Mountain	57.1	42.9
Pacific	75.1	24.9

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B13.2

Facility type (self-report) *by* Reduced administrative staff number or hours due to the IPS

Facility Type	Percent	
	Reduced Admin. Staff No. or Hrs.	Did Not Reduce Admin. Staff No. or Hrs
A visiting nurse association, or VNA	67.5	32.5
Another type of free-standing home health agency	77.9	22.1
A hospital-based or other facility based	65.1	34.9
Some other type of agency	33.8	66.2

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B13.3

Agency control (self-report) *by* Reduced administrative staff number or hours due to the IPS

Agency Control	Percent	
	Reduced Admin. Staff No. or Hrs.	Did Not Reduce Admin. Staff No. or Hrs
Voluntary, private non-profit or religious...	69.2	30.8
Proprietary or for profit, or...	81.7	18.3
A government agency	45.1	54.9

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B13.4

Number of Medicare patients served *by* Reduced administrative staff number or hours due to the IPS

Number of Medicare Patients Served	Percent	
	Reduced Admin. Staff No. or Hrs.	Did Not Reduce Admin. Staff No. or Hrs
Unknown	52.4	47.6
0 - 99	65.4	34.6
100 - 199	70.1	29.9
200 - 499	73.4	26.6
500 - 999	72.4	27.6
1000 - 4999	86.8	13.2
5000 +	85.7	14.3

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B13.5

Expectation of exceeding current year per-beneficiary limit *by* Reduced administrative staff number or hours due to the IPS

Expectation:	Percent	
	Reduced Admin. Staff No. or Hrs.	Did Not Reduce Admin. Staff No. or Hrs
Exceed limit	75.6	24.4
Not exceed limit	71.3	28.7

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B13.6

Expectation of exceeding current year per-visit limit *by* Reduced administrative staff number or hours due to the IPS

Expectation:	Percent	
	Reduced Admin. Staff No. or Hrs.	Did Not Reduce Admin. Staff No. or Hrs
Exceed limit	74.3	25.7
Not exceed limit	68.3	31.7

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q24c. Do you feel that your agency has taken any of the following actions as a result of the implementation of the IPS? -- Reduced staff benefits or curtailed salary increases due to the IPS

Table B14.1

Census Division *by* Reduced staff benefits or curtailed salary increases due to the IPS

Census Division	Percent	
	Reduced Raises/Benefits	Did Not Reduce Raises/Benefits
New England	61.8	38.2
Middle Atlantic	48.8	51.2
South Atlantic	61.9	38.1
East North Central	46.1	53.9
East South Central	66.3	33.7
West North Central	35.4	64.6
West South Central	80.1	19.9
Mountain	45.6	54.4
Pacific	59.1	40.9

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B14.2

Facility type (self-report) *by* Reduced staff benefits or curtailed salary increases due to the IPS

Facility Type	Percent	
	Reduced Raises/Benefits	Did Not Reduce Raises/Benefits
A visiting nurse association, or VNA	66.6	33.4
Another type of free-standing home health agency	78.3	21.7
A hospital-based or other facility based	31.1	68.9
Some other type of agency	30.0	70.0

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B14.3

Agency control (self-report) *by* Reduced staff benefits or curtailed salary increases due to the IPS

Agency Control	Percent	
	Reduced Raises/Benefits	Did Not Reduce Raises/Benefits
Voluntary, private non-profit or religious...	47.0	53.0
Proprietary or for profit, or...	81.5	18.5
A government agency	29.2	70.8

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B14.4

Number of Medicare patients served *by* Reduced staff benefits or curtailed salary increases due to the IPS

Number of Medicare Patients Served	Percent	
	Reduced Raises/Benefits	Did Not Reduce Raises/Benefits
Unknown	61.9	38.1
0 - 99	60.8	39.2
100 - 199	62.2	37.8
200 - 499	59.1	40.9
500 - 999	48.2	51.8
1000 - 4999	60.3	39.7
5000 +	81.0	19.0

Note: Based on chi-square, p< .001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B14.5

Expectation of exceeding current year per-beneficiary limit *by* Reduced staff benefits or curtailed salary increases due to the IPS

Expectation:	Percent	
	Reduced Raises/Benefits	Did Not Reduce Raises/Benefits
Exceed limit	67.8	32.2
Not exceed limit	54.7	45.3

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B14.6

Expectation of exceeding current year per-visit limit *by* Reduced staff benefits or curtailed salary increases due to the IPS

Expectation:	Percent	
	Reduced Raises/Benefits	Did Not Reduce Raises/Benefits
Exceed limit	61.9	38.1
Not exceed limit	56.7	43.3

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q24d. Do you feel that your agency has taken any of the following actions as a result of the implementation of the IPS? -- Shut down branches due to the IPS

Table B15.1

Census Division *by* Shut down branches due to the IPS

Census Division	Percent	
	Shut Down Branches	Did Not Shut Down Branches
New England	19.3	80.7
Middle Atlantic	23.8	76.2
South Atlantic	45.7	54.3
East North Central	32.1	67.9
East South Central	70.6	29.4
West North Central	18.6	81.4
West South Central	55.9	44.1
Mountain	33.8	66.2
Pacific	26.1	73.9

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B15.2

Facility type (self-report) *by* Shut down branches due to the IPS

Facility Type	Percent	
	Shut Down Branches	Did Not Shut Down Branches
A visiting nurse association, or VNA	28.5	71.5
Another type of free-standing home health agency	49.1	50.9
A hospital-based or other facility based	27.8	72.2
Some other type of agency	34.1	65.9

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B15.3

Agency control (self-report) *by* Shut down branches due to the IPS

Agency Control	Percent	
	Shut down Branches	Did Not Shut Down Branches
Voluntary, private non-profit or religious...	31.2	68.8
Proprietary or for profit, or...	53.4	46.6
A government agency	21.8	78.2

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B15.4

Number of Medicare patients served *by* Shut down branches due to the IPS

Number of Medicare Patients Served	Percent	
	Shut down Branches	Did Not Shut Down Branches
Unknown	26.3	73.7
0 - 99	35.2	64.8
100 - 199	41.3	58.7
200 - 499	44.9	55.1
500 - 999	38.0	62.0
1000 - 4999	42.7	57.3
5000 +	52.6	47.4

Note: Based on chi-square, p< .001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B15.5

Expectation of exceeding current year per-beneficiary limit *by* Shut down branches due to the IPS

Expectation:	Percent	
	Shut Down Branches	Did Not Shut Down Branches
Exceed limit	46.6	53.4
Not exceed limit	34.5	65.5

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc February - March 1999

Table B15.6

Expectation of exceeding current year per-visit limit *by* Shut down branches due to the IPS

Expectation:	Percent	
	Shut Down Branches	Did Not Shut Down Branches
Exceed limit	44.1	55.9
Not exceed limit	36.2	63.8

Note: Based on chi-square, $p<.001$

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Q24e. Do you feel that your agency has taken any of the following actions as a result of the implementation of the IPS? -- Changed ownership or ownership structure due to the IPS

Table B16.1

Census Division *by* Changed ownership or ownership structure due to the IPS

Census Division	Percent	
	Changed Ownership	No Change in Ownership
New England	16.8	83.2
Middle Atlantic	8.0	92.0
South Atlantic	15.7	84.3
East North Central	10.0	90.0
East South Central	17.3	82.7
West North Central	7.6	92.4
West South Central	20.8	79.2
Mountain	11.3	88.7
Pacific	20.4	79.6

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B16.2

Facility type (self-report) *by* Changed ownership or ownership structure due to the IPS

Facility Type	Percent	
	Changed Ownership	No Change in Ownership
A visiting nurse association, or VNA	12.8	87.2
Another type of free-standing home health agency	20.7	79.3
A hospital-based or other facility based	7.4	92.6
Some other type of agency	4.2	95.8

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B16.3

Agency control (self-report) *by* Changed ownership or ownership structure due to the IPS

Agency Control	Percent	
	Changed Ownership	No Change in Ownership
Voluntary, private non-profit or religious...	11.0	89.0
Proprietary or for profit, or...	23.1	76.9
A government agency	2.5	97.5

Note: Based on chi-square, p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B16.4

Number of Medicare patients served *by* Changed ownership or ownership structure due to the IPS

Number of Medicare Patients Served	Percent	
	Changed Ownership	No Change in Ownership
Unknown	25.0	75.0
0 - 99	12.2	87.8
100 - 199	14.4	85.6
200 - 499	15.0	85.0
500 - 999	21.0	79.0
1000 - 4999	15.1	84.9
5000 +	28.6	71.4

Note: Based on chi-square, p< .001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

Table B16.5

Expectation of exceeding current year per-beneficiary limit *by* Changed ownership or ownership structure due to the IPS

Expectation:	Percent	
	Changed Ownership	No Change in Ownership
Exceed limit	18.0	82.0
Not exceed limit	12.0	88.0

Note: Based on chi-square. p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999.

Table B16.6

Expectation of exceeding current year per-visit limit *by* Changed ownership or ownership structure due to the IPS

Expectation:	Percent	
	Changed Ownership	No Change in Ownership
Exceed limit	17.8	82.2
Not exceed limit	10.5	89.5

Note: Based on chi-square. p<.001

Sources: MedPAC survey of Medicare-certified home health agencies, conducted by Abt Associates Inc. February - March 1999

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